

Withholding Requirements - Individuals and Businesses

	<u>Individual is:</u>	<u>Filing</u>	<u>Actions</u>
Individuals	Resident- works in state	Required	
	Resident- works out of state	Required	-Must complete Sch VI showing tax paid to another state.
	Nonresident- works in state	Required	-Must complete Sch IV showing MT source income. -Physically inside MT; does not apply to telecommuters.
	Nonresident- works out of state	Not required	
	Part-year Resident- works in state	Required	-Must complete Sch IV showing MT source income. -Must complete Sch VII showing tax paid to another state.
	Part-year Resident- works out of state	Required	-Must complete Sch IV showing MT source income. -Must complete Sch VII showing tax paid to another state.
Withholding	<u>Business is:</u>		
	Located in MT- employees work in state	Required	
	Located in MT- all employees work out of state	Required	-Must withhold for state in which employees are working. -Must file MW3 showing zero wages and withholding.
	Located in MT- some employees work out of state	Required	-Must file MW3 showing MT wages and withholding.
	Not in MT- employees work in state	Required	-Must withhold for services physically rendered in MT.
	Not in MT- employees work out of state	Not required	

General Withholding Requirement:

Montana income tax must be withheld from wages paid to resident employees for services performed either within or without the state and from wages paid to nonresident employees for services performed in the state.